

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
HAWAIIAN ELECTRIC COMPANY, INC.)
For Approval to Commit Funds in)
Excess of \$500,000 for)
Item P0000507, Kamehameha Highway)
Resurfacing, Waiahole Valley Road)
to Crouching Lion Inn.)
_____)

DOCKET NO. 01-0274

ORDER NO. 20436

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DIV. OF CONSUMER ADVOCACY
DEPT. OF COMMERCE AND
CONSUMER AFFAIRS
STATE OF HAWAII

Filed Sept. 15, 2003
At 10:00 o'clock A.M.

Karen Higashi
Chief Clerk of the Commission

ATTEST: A True Copy
KAREN HIGASHI
Chief Clerk, Public Utilities
Commission, State of Hawaii.

K. Higashi

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)	
HAWAIIAN ELECTRIC COMPANY, INC.)	Docket No. 01-0274
For Approval to Commit Funds in)	
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Resurfacing, Waiahole Valley Road)	
to Crouching Lion Inn.)	
_____)	

ORDER AMENDING DECISION AND ORDER NO. 19165

I.

By Decision and Order No. 19165, filed on January 30, 2002, the commission approved the application of HAWAIIAN ELECTRIC COMPANY, INC. ("HECO") to commit approximately \$1,261,838 for Item P0000507, the Kamehameha Highway Resurfacing, Waiahole Valley Road to Crouching Lion Inn project.¹ Subsequently, by letter filed on April 30, 2003, HECO informed the commission that the design of the resurfacing project was refined² and that the cost estimate of the proposed project was revised to approximately \$3,148,337 as opposed to the estimated

¹HECO's request for approval of the proposed project in this docket was initially filed on August 15, 2001.

²Notification of the revisions to the proposed project was first provided to the commission through a letter filed by HECO on December 10, 2002. A copy of HECO's December 10, 2002 letter was served on the DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, DIVISION OF CONSUMER ADVOCACY ("Consumer Advocate").

amount of \$1,261,838 under the earlier design.³ Included in its submittal, HECO provided the commission with detailed information on the revised scope of the proposed project and requested commission approval of its proposed project under the revised design and cost estimate.⁴ We will deem HECO's April 30, 2003 letter as a request to amend Decision and Order No. 19165 in light of HECO's revisions to the proposed project.

The Consumer Advocate was served a copy of HECO's April 30, 2003 letter. By letter filed on September 4, 2003, the Consumer Advocate informed us that its recommendation, set forth in its statement of position filed on January 23, 2002, regarding HECO's proposed project in the instant docket, "remains unchanged" upon review of the revisions to the proposed project. For the record, the Consumer Advocate did not object to the approval of HECO's application in the instant docket.

II.

HECO represents that the revised proposed project is necessary due to the DOT's Kamehameha Highway Resurfacing project. The DOT will be resurfacing Kamehameha Highway from Waiahole Valley Road to Crouching Lion Inn. In particular, the

³Under the new project scope, the State Department of Transportation's ("DOT's") estimated contribution-in-aid-of-construction is expected to now be approximately \$1,329,500 as opposed to the earlier estimate of approximately \$510,398.

⁴Our review of the proposed project, as revised, will be under the standards of rule 2.3.g.2 of General Order No. 7, *Standards for Electric Utility Service in the State of Hawaii*.

existing shoulder width of the highway will be extended, necessitating the relocation of HECO's poles in the project area.

HECO represents that the scope of the proposed project was revised at the request of the DOT. HECO states that the preliminary scope of the proposed project was based on DOT's "as built" drawings, which was used as the basis of HECO's August 15, 2001 application in this docket. The revisions to the proposed project, set forth in HECO's April 30, 2003 letter, are based on actual field measurements taken in the project area. HECO represents that the revised proposed project will be a "one-for-one replacement of wood main poles, with the new poles installed within five feet, on average, and no more than ten feet from the existing poles."⁵

Specifically, under the revised design, the proposed project's 46 kV overhead work includes the installation/replacement of approximately 103 wood main poles, with pole heights and diameters of 70 feet and 14 to 27 inches, respectively. Additionally, HECO expects to remove 25 wood stub poles in the project area. In its August 15, 2001 application, this phase of the proposed project was anticipated to include, among other things, the installation/replacement of 54 wood main poles (60 feet tall with diameters of 12 to 14 inches) and 26 wood stub poles (35 feet tall). HECO represents that the original and revised 46 kV overhead work of the proposed project have approximately the same alignment, number of conductors, and length, among other things. HECO states that it is using taller

⁵See, HECO's letter dated April 30, 2003, at 1-2.

poles with larger diameters to accommodate the change in the configuration of the conductors, from a triangular configuration to a vertical one, due to the revisions to the scope of proposed project in the area pursuant to the DOT's requests. HECO represents that secondary underground work for the proposed project remains unchanged.

HECO further represents that it made informational presentations of its revised proposed project to the Kahaluu and Koolauloa Neighborhood Boards on April 9 and 10, 2003, respectively, in conjunction with the DOT. In its letter filed on August 26, 2003, HECO informed the commission that construction of the proposed project, as revised, is scheduled to begin during the week of September 22, 2003.⁶

The Consumer Advocate does not object to the approval of HECO's revised proposed project, subject to its reserved right to review the reasonableness of the costs of the proposed project (on a prospective basis) in HECO's next rate proceeding. Based on HECO's representations, the Consumer Advocate states that it is not opposed to the relocation of HECO's existing facilities in the project area.

III.

Upon review, the commission finds the revised proposed project, to be reasonable and in the public interest. As we reasoned in Decision and Order No. 19165, since the DOT plans to

⁶The Consumer Advocate was served a copy of HECO's August 26, 2003 letter.

resurface Kamehameha Highway in the project area, the relocation of the affected poles in accordance to DOT's project scope is warranted. Our decision on this matter is based on HECO's representations set forth initially in its August 15, 2001 application, as revised in its April 30, 2003 letter. Additionally, the proposed project changes set forth in HECO's April 30, 2003 letter appear to be reasonable.

Based on the above, the commission concludes that HECO's request to commit approximately \$3,148,337 for Item P0000507, the Kamehameha Highway Resurfacing, Waiahole Valley Road to Crouching Lion Inn project, described in its application filed on August 15, 2001, and consistent with the revisions set forth in HECO's April 30, 2003 letter, should be granted. Thus, we also conclude that Decision and Order No. 19165 should be amended to reflect our conclusions and decisions in this order. In all other respects, Decision and Order No. 19165 should remain unchanged.

IV.

THE COMMISSION ORDERS:

1. HECO's request for approval to commit approximately \$3,148,337 for Item P0000507, the Kamehameha Highway Resurfacing, Waiahole Valley Road to Crouching Lion Inn project, described in its application filed on August 15, 2001, and consistent with the revisions set forth in HECO's April 30, 2003 letter, is granted; provided that no part of the project may be included in HECO's rate base unless and


until the project is in fact installed, and is used and useful for utility purposes.


2. Decision and Order No. 19165 is amended to reflect our conclusions and decisions in this order. In all other respects, Decision and Order No. 19165 remains unchanged.

3. Within 60 days of the completion of the revised proposed project, HECO shall submit an accounting report with an explanation of any deviation of 10 per cent or more of the projected costs for the proposed project. Failure to submit the report, as required in this order, constitutes cause to limit the total cost of the revised proposed project for ratemaking purposes to that estimated in HECO's application, as revised.

DONE at Honolulu, Hawaii this 15th day of September, 2003.

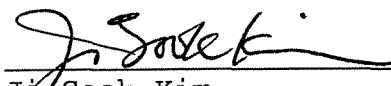
PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Carlito P. Caliboso, Chairman

By 
Wayne H. Kimura, Commissioner

APPROVED AS TO FORM:

By (EXCUSED)
Janet E. Kawelo, Commissioner


Ji Sook Kim
Commission Counsel

01-0274.eh

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 20436 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
DIVISION OF CONSUMER ADVOCACY
P. O. Box 541
Honolulu, HI 96809

WILLIAM A. BONNET, P.E.
VICE PRESIDENT
GOVERNMENT AND COMMUNITY AFFAIRS
HAWAIIAN ELECTRIC COMPANY, INC.
P. O. Box 2750
Honolulu, HI 96840-0001

LORIE ANN NAGATA
TREASURER
HAWAIIAN ELECTRIC COMPANY, INC.
P. O. Box 2750
Honolulu, HI 96840-0001



Karen Higashi

DATED: September 15, 2003